

SECTION 1

Preface and How to Use Manual

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The Medi-Cal Administrative Activities (MAA) Manual is your primary reference for information about MAA program participation requirements. You should consult this manual before seeking other sources of information.

For the purposes of this manual the term Local Educational Consortium (LEC) is synonymous with the term Local Educational Agency (LEA) in most cases. Therefore, MAA policies and procedures apply to both LECs and LEAs.

Organization

The manual is organized into four topic areas:

- Preface, Contents and How to Use Manual (Section 1)
- Medi-Cal Background (Section 2)
- Medi-Cal Administrative Activities (MAA) Policies and Procedures (Section 3-10)
- Reference Materials (Section 11)

Colored tabs separate the sections.

Section Tab Pages

Section Tab Pages are colored to make finding a specific section easy. A table of contents of each section and subsection follows each colored section tab page. For example, if you turn to the colored number tab for the MAA Time Survey Section, you will see the table of contents and the subsections for the MAA Time Survey.

Numbering System

The bottom of each page has a unique number that identifies the section, subsection and page. For example, the number LM.2-1-1 indicates the LEC MAA Section, Section 2, Subsection 1, Page 1.

The numbering system is designed to easily accommodate additions and deletions, when the manual is updated.

Policy and Procedure Letters

When changes occur in the MAA or when policies or procedures require clarification, the DHS will issue Policy and Procedure Letters (PPLs). PPLs are an integral part of the MAA Manual. It is important to insert the PPLs into your manual upon receipt.

Manual Replacement Pages

Annually, the State Department of Health Services (DHS) will issue Manual Updates and manual replacement pages. All manual replacement pages will be dated. Each bulletin will contain specific instructions for updating your manual. It is important to insert or replace manual pages when they arrive. This will ensure that all current information remains in your manual. Pages that have been replaced should be maintained in a separate audit file.

Telephone Inquires

If you have any questions about the contents of your manual, please call the DHS, Medi-Cal Benefits Branch, Administrative Claiming Operations Unit telephone number (916) 657-0627, or your assigned program analyst.

SECTION 2

Medi-Cal Background

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MEDI-CAL BACKGROUND

Overview of the Medicaid Program

The Medicaid program is a national health care program designed to furnish medical assistance to families and to aged, blind and disabled and individuals whose income and resources are insufficient to meet the cost of necessary medical services. The program, which was established under Title XIX of the Social Security Act, is administered by the Health Care Financing Administration (HCFA) of the federal Department of Health and Human Services (DHHS). Medicaid is a state/federal partnership under which the federal government establishes basic program rules. Each state then administers the program based upon the federal rules. However, states are free to develop their own rules and regulations for program administration within the confines of the federal rules.

States must meet certain federal requirements in order to participate in the Medicaid program. However, states that meet these requirements receive federal funding in the form of federal financial participation (FFP) for all Medicaid expenditures. Each state has an established Federal Medical Assistance Percentage (FMAP) amount which is paid by DHHS for most program expenditures, although that amount may be higher for certain specific types of expenditures. The FMAP for California is 50 percent.

The primary requirements imposed on states that wish to participate in the Medicaid program relate to eligibility for the program, and to services covered by the program. Federal Medicaid law defines certain categories of eligible individuals and specific types of health care coverage which must be provided by any state that wishes to operate a Medicaid program. Title XIX also offers a variety of optional eligibility groups and types of service which a state may or may not choose to cover. In addition, the federal government establishes general standards which must operate their Medicaid programs; however, development of program options, and the details of program operation and administration are the responsibility of the states themselves.

MEDI-CAL BACKGROUND

Eligibility Requirements

As noted above, Title XIX was originally designed to serve the needs of families and of aged, blind and disabled persons whose income is insufficient to pay the costs of their medical expenses. Since the inception of the program in 1965, however, many new categories of eligibles have been added to the program. Some of these eligible groups are “mandatory coverage groups; that is, any state wishing to participate in Medicaid must cover these individuals as a condition of participation. Other groups of eligibles “optional coverage groups;” that is, the state has the option to cover or to refuse the cover these individuals. Under federal Medicaid law, there are currently about 50 categories of eligibles, nearly half of which are mandatory coverage groups. California covers all mandatory groups and the vast majority of the optional groups.

SECTION 3

Medi-Cal Administrative Activities (MAA)

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Allowable Time	Time spent by identified personnel doing activities that are claimable as allowable MAA as determined by time surveys or direct charge documentation.
Audit File	A file of documentation supporting the LEC's MAA claims. This documentation will be retained for a minimum of three years after the end of the quarter in which the expenditures were incurred.
Claimable Activities	Activities claimable as allowable MAA.
Claiming Plan	A description of activities claimed as allowable MAA. Each LEC participating in MAA must submit a claiming plan to the State DHS.
Claiming Unit	A LEC entity, such as a LEA or subcontractor performing MAA whose costs can be segregated as a separate budget unit.
Cost Pool	The cost centers that are the base of the MAA claim. The MAA invoice has seven cost pools, aggregating expenditures for Skilled Professional Medical Personnel (SPMP); non-SPMP; Direct Services/Non-Claimable costs; Direct Charge and Allocated Costs.
Direct Charge	Direct invoicing of certain costs. These costs are entered in the Direct Charge section of the MAA invoice. Some Direct Charge costs must be discounted by the Medi-Cal percentage. Direct charges must be itemized and explained in back-up documentation to be included in the audit file.
Enhanced Functions	Functions, when performed by a SPMP and require the medical expertise of a SPMP, may be reimbursed at the enhanced rate of 75% instead of the non-enhanced rate of 50%. Currently the only enhanced function is Program Planning and Policy Development.

Federal Financial Participation (FFP) Rate	The proportion of allowable cost to be reimbursed by the federal government.
Health Care Financing Administration (HCFA)	The federal agency which oversees the Medicaid program.
Host Entity	The LEC designated by all LECs participating in the MAA program, to be administrative and fiscal intermediary between the department and all participating LECs.
Invoice	The set of claim forms submitted by the LECs to the DHS to obtain reimbursement for the cost of allowable MAA.
Local Educational Consortium (LEC)	A local agency that is one of the service regions of the California County Superintendent Educational Service Regions.
Local Educational Agency	The governing body of any school district or community (LEA) college district, the county office of education, a state special school, a California State University campus, or a University of California campus.
LEA Medi-Cal Billing Option	A billing mechanism which provides a way for LEAs to bill Medi-Cal (California Medicaid program) for health and social services that are offered to students and their families in the school setting.
LEC MAA Coordinator	The person designated by the LEC to coordinate the MAA program and act as the liaison with the DHS.
Match Funds	Monies from the LEC or LEA allowed under state and federal law and regulation to be used as match for the federal share for MAA.
Medi-Cal Administrative Activities (MAA)	A program which allows LECs to claim federal reimbursement for activities necessary for the proper and efficient administration of the Medi-Cal Program.

Medi-Cal Administrative Activities Contract	The legal document or contract between the DHS and the LEC which authorizes the participation in the MAA program.
Medi-Cal Percentage:	The proportion of a population who are Medi-Cal beneficiaries.
Quarterly Summary Invoice	The summary of costs on each quarterly MAA detail invoice. Prepared by an LEC on behalf of all claiming entities or programs within its jurisdiction, it is submitted on the LEC's letterhead.
Revenue	Funding received by an LEC or program, including local, state, and federal monies.
Revenue Offset	The required deduction from an LEC's costs. The Revenue Offset Worksheet provides a systematic approach in determining the dollars that need to be offset.
Single State Agency	The state agency charged with administering the Medicaid program. In California, the single state agency is the Department of Health Services.
Skilled Professional Medical Personnel (SPMP)	An employee of a public agency who has completed a two year or longer program leading to an academic degree or certification in a medically related profession and who is in a position that has duties and responsibilities requiring those professional medical knowledge and skills.
Time Survey	The approved methodology to determine the percentage of costs that are allocable to each MAA activity claimed by the LEC.

SECTION 4

Medi-Cal Administrative Activities (MAA) Overview

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MEDI-CAL ADMINISTRATIVE ACTIVITIES

MEDI-CAL ADMINISTRATIVE ACTIVITIES OVERVIEW

Pursuant to Welfare and Institutions Code, Section 14132.47, Medi-Cal Administrative Activities (MAA) became a covered Medicaid benefit effective January 1, 1995. MAA are administrative activities necessary for the proper and efficient administration of the Medi-Cal program.

To participate in MAA, each LEC must enter into a contract with the DHS. As part of the contract, the LEC must submit a comprehensive claiming plan for each claiming unit performing MAA. A claiming unit is an entity within the LEC whose costs and funding can be segregated. The MAA claiming plan must describe in detail each category of MAA the LEC is claiming, the claiming units for which claims will be submitted for, the supporting documentation the claiming unit will maintain, the development and documentation of the costs relating to MAA. The claiming plan is reviewed and approved by the DHS and HCFA. Once approved, the claiming plan is a part of the contract between the LEC and the DHS. Costs for MAA are only claimable when the specific activities are identified in an approved MAA claiming plan.

The claiming plan remains in effect from year to year until amended by the LEC. A claiming plan must be amended each time the scope of MAA is significantly changed, a new claiming unit is established, or a new type of activity is undertaken. All claiming plan amendments are subject to DHS and HCFA review and approval. An LEC may submit amendments to its claiming plan anytime. The effective date of the amendment is the first day of the quarter in which the amendment is submitted to DHS.

Allowable MAA may or may not be directed solely to the Medi-Cal population. Therefore, the costs associated with allowable MAA may be discounted. The discounting methodology may be measured on an actual “client count” or as a percentage based on the total number of Medi-Cal beneficiaries and the total number of all individuals served by the LEC claiming unit or by one of the three approved California Work Opportunity and Responsibility to Kids (CalWORKS) Client Count options, which include the Unadjusted CalWORKS Count, DHS Tape Match, or Adjusted CalWORKS Count. Countywide averages or other methods approved by DHS and HCFA may be used to calculate the Medi-Cal percentage discount. The Medi-Cal discounting methodology must be identified in the MAA claiming plan. Once a method is chosen by a program or claiming unit and approved by HCFA, it must be used consistently for that program or claiming unit in order to provide the most accurate representation of the amount of Medi-Cal activity for that program. A program or claiming unit can not pick or choose among methods. See Section 6, Determining the Medi-Cal Percentage, for further information.

MEDI-CAL ADMINISTRATIVE ACTIVITIES

In general, costs associated with MAA are matched at the federal financial participation (FFP) rate. The DHS requires LECs to certify the availability and expenditure of one hundred (100) percent of the non-federal share of the cost of performing MAA. The funds expended for this purpose must be from the LEC claiming unit funds allowed under state and federal law and regulation.

Each year, the DHS will designate a MAA Time Survey month. The purpose of conducting the time survey is to identify time spent on the performance of MAA. The time survey is completed by individuals performing MAA. The month of the time survey will vary to ensure a valid basis from which current fiscal year costs are claimed. LEC claiming units have two options regarding the frequency in which time surveys are performed for the MAA program only. A LEC claiming unit can use the results of the time survey conducted in the designated month for the entire fiscal year, or conduct an additional time survey in a subsequent quarter of the fiscal year. The activity percentages must be used for that quarter and all subsequent quarters during that fiscal year until another time survey is conducted. To use this option, the LEC must provide written notification to DHS of a claiming unit's intent to perform an additional time survey at least thirty (30) days prior to the beginning of the quarter in which the LEC claiming unit will be time surveying. This time survey, if approved by DHS, will be in effect from the first day of the quarter in which the time survey is conducted and will remain in effect until superseded by a subsequent time survey during that fiscal year. Once a subsequent time survey has been approved by DHS, a time survey must be performed by the LEC claiming unit and the result must be used to prepare the MAA quarterly invoice. If an additional time survey is approved by DHS, the LEC claiming unit cannot claim MAA based on the results of a previous time survey.

The option of conducting an additional time survey may be exercised by the LEC for an individual claiming unit independent of the other LEC claiming units.

Claims for MAA reimbursement are submitted by the LEC to the DHS. Each claim is prepared on a separate detailed quarterly invoice for each claiming unit as defined in the DHS approved LEC MAA claiming plan. Direct invoicing of certain costs. These costs are entered in the Direct Charge section of the MAA invoice. Some Direct Charge costs must be discounted by the Medi-Cal percentage. Direct charges must be itemized and explained in back-up documentation to be included in the audit file. The LEC will also prepare and submit a quarterly summary invoice for each claiming unit's detailed invoice. The form for the detailed invoice blends the cost and revenue data elements into one spreadsheet that allows for the computation of the claim, adjusting for all necessary revenues and applying activity and Medi-Cal discount percentages, where appropriate. The LEC must provide the DHS with complete invoice and expenditure information no later than eighteen (18) months after the end of the quarter for which a claim is being submitted. DHS will either approve the claim, return the claim for revision and/or correction, or deny the claim. An LEC can request a reconsideration of the DHS decision to deny a claim. The request must be filed in writing and within thirty (30) days after the receipt of the written notice of denial. The review process is limited to a programmatic or accounting reconsideration based upon additional supporting documentation submitted to the DHS.

The following activities are allowable MAA for a more detailed description of these activities, please see Section 5, MAA Claiming Plan, of the manual.

Medi-Cal Outreach

This activity brings potential eligibles into the Medi-Cal system and assists all eligible individuals to obtain Medi-Cal services. Medi-Cal Outreach is divided into two sections Medi-Cal Outreach A and Medi-Cal Outreach B.

Medi-Cal Outreach A

This activity is a campaign or program directed toward the general population for the purpose of providing information about the Medi-Cal program in order to encourage those individuals who may be eligible for Medi-Cal to apply for Medi-Cal.

It can also be an activity that is a campaign or program directed toward bringing Medi-Cal eligibles into specific Medi-Cal covered services. These campaigns are service campaigns, targeted specifically to Medi-Cal services.

Medi-Cal Outreach B1

This activity is a campaign or program directed toward bringing specific high-risk populations into health care services covered by Medi-Cal, targeting both Medi-Cal and non-Medi-Cal eligibles. This activity is discounted by the actual Medi-Cal client count or any other reasonable method approved by DHS and HCFA.

Medi-Cal Outreach B2

This activity is a campaign or program directed toward bringing specific high-risk populations into health care services covered by Medi-Cal, targeting both Medi-Cal and non-Medi-Cal eligibles. This activity is discounted by the county-wide Medi-Cal average.

Medi-Cal Outreach B3

This activity is a campaign or program directed toward bringing specific high-risk populations into health care services covered by Medi-Cal, targeting both Medi-Cal and non-Medi-Cal eligibles. This activity is discounted by the CalWORKS Client Count. Three CalWORKS Client Count options approved by HCFA include Unadjusted CalWORKS Count, DHS Tape Match, and Adjusted CalWORKS Count.

Facilitating Medi-Cal Application

This activity explains the Medi-Cal eligibility process and rules to prospective applicants, assists an applicant with the completion of the Medi-Cal eligibility application and eligibility determination itself.

Medi-Cal Non Emergency Non Medical Transportation

This activity includes arranging and providing non emergency non medical transportation of Medi-Cal eligibles to Medi-Cal covered services provided by an enrolled Medi-Cal provider and when medically necessary, accompaniment by an attendant. If this activity is provided to both Medi-Cal and non Medi-Cal populations it must be discounted by the appropriate Medi-Cal percentage.

Contracting for Medi-Cal Services

This activity involves the coordination of contracts with community-based organizations or other provider agencies to provide Medi-Cal services and/or MAA.

Program Planning and Policy Development

This activity involves the development of strategies to increase Medi-Cal system capacity and close Medi-Cal service gaps including analyzing Medi-Cal data related to a specific program or specific group. This activity also includes interagency coordination to improve the delivery of Medi-Cal services and the development of resources directories for Medi-Cal services/providers.

MAA Coordination and Claims Administration

This activity relates to the administration of MAA that includes, but are not limited to: drafting, revising, and submitting MAA claiming plans, serving as liaison with claiming programs within the Local Educational Consortium (LEC), ensuring that MAA claims do not duplicate Medi-Cal claims for the same activities from other programs.

MAA Implementation Training

This activity involves time spent by persons, other than MAA Coordination and Claims Administration staff, giving or receiving training related to the overall implementation of the MAA program. For example, general training on MAA and/or on conducting MAA time surveys.

Training

This activity may be given or received, includes training in general Medi-Cal program overview. Training must be related to the performance of MAA and must be claimed to the activity it relates to.

General Administration

This activity involves the general program administrative functions that are eligible for cost distribution on the Office of Management and Budget Circular A-87 on a approved cost allocation basis. These activities include but are not limited to: attending or conducting general non-medical staff meetings, developing and monitoring program budgets, site management, supervision of staff.

General Administration is not directly claimable to MAA. However, the costs are allocated on the MAA Invoice.

Paid Time Off

This activity includes vacation, sick leave, paid holiday time, paid jury duty, and other employee time off that is paid. This does **not** include breaks, off payroll time (dock), or the taking of CTO.

Paid Time Off is not directly claimable to MAA. However, the costs are allocated on the MAA Invoice.